

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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**In Re:**

DELPHI CORPORATION, *et al*,

**Debtors.**

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Chapter 11

Case No. 05-44481 (RDD)

(Jointly Administered)

**RESPONSE OF PORT CITY CASTINGS CORP TO  
DEBTORS' FIFTEENTH OMNIBUS OBJECTION (SUBSTANTIVE) PURSUANT  
TO 11 USC 502(B) AND FED. R. BANKR. P. 3007 TO CERTAIN (A)  
INSUFFICIENTLY DOCUMENTED CLAIMS, (B) CLAIMS NOT REFLECTED  
ON DEBTORS' BOOKS AND RECORDS, (C) UNTIMELY CLAIMS AND  
UNTIMELY TAX CLAIM, AND (D) CLAIMS SUBJECT TO MODIFICATION,  
TAX CLAIMS SUBJECT TO MODIFICATION, AND MODIFIED CLAIMS  
ASSERTING RECLAMATION**

Port City Castings Corp, an affiliate of Port City Group, by counsel Parmenter O'Toole, tenders the following response to the Debtors' Fifteenth Omnibus Claims Objection, dated May 22, 2007, as follows:

1. Prior to the filing of the petitions for relief in these cases, Port City Castings Corp supplied goods pursuant to several requirements contracts to one or more of the Debtors ("the Prepetition Goods"). Port City Castings Corp continues to supply goods to the Debtors postpetition.

2. Port City Castings Corp supplied the Prepetition Goods pursuant to a written purchase order generated by the Debtors. The purchase order was numbered 550055772 ("Purchase Order") and was issued on May 19, 2004. It listed the following as the "buyer":

"DELPHI  
SAFETY & INTERIOR SYSTEMS  
1401 CROOKS RD.

TROY MI 48084-7106”

3. On July 28, 2006, Port City Castings Corp timely filed two secured<sup>1</sup> proofs of claim on account of amounts owed to it for the Prepetition Goods, each in the amount of \$100,551.70. One claim was filed against Debtor Delphi Automotive Systems, LLC, Case No. 05-44640, and assigned claim number 12187. A second claim was filed against Debtor Delphi Corporation, Case No. 05-44481, and assigned claim number 12189.

4. Each claim was accompanied by an “Explanation of Proof of Claim” that listed the Purchase Order number, and explained that Port City Castings Corp believed that the Purchase Order had originated with Delphi Corporation, but that Port City Castings Corp’s practice had been, at the Debtors’ directive, to bill Delphi Thermal & Interior for goods sold to the Debtors. The “Explanation of Proof of Claim” went on to indicate that Port City Castings Corp was filing duplicative claims out of an abundance of caution.

5. Port City Castings Corp, in response to Debtors’ Second Omnibus Claims Objection, thereafter allowed claim number 12189 to be struck as having been filed against an improper Debtor.

6. The Debtors have now objected to claim number 12187, filed against Delphi Automotive Systems, LLC, and seek to modify Port City Castings Corp’s claim from a secured claim in the amount of \$100,551.70 to an unsecured claim of \$90,638.09. By the absence of a listing of a different entity in the “claim as modified” column, Debtors apparently do not seek to modify the entity against whom the claim was asserted.

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<sup>1</sup> Port City Castings Corp has claimed a lien by virtue of Michigan’s Special Tools Lien Act on certain tooling in its possession that is owned by one or more of the Debtors.

7. The Debtors' purported basis for modification is that Port City Castings Corp's claim is a "claim subject to modification."

8. A proof of claim constitutes prima facie evidence of the validity and amount of a claim. Fed. R. Bankr. P. 3002(f).

9. Debtors bear the burden of producing "substantial evidence" to overcome the accuracy of the claim. In re Townview Nursing Home, 28 B.R. 431, 443 (Bankr. S.D.N.Y. 1983).

10. Port City Castings Corp's claim is based on its production of parts for Debtors prepetition. Pursuant to Michigan's Special Tools Lien Act, MCL 570.541 et seq., Port City Castings Corp as an "end user" retains a lien on special tools in its possession owned by Debtors, and believed to have a value of approximately \$295,330.00, to secure payment of the amount owed to it prepetition.

11. Debtors' objection fails to explain how Debtors intend to avoid the operation of the Special Tools Lien Act.

12. Moreover, Debtors' objection completely fails to document, or even explain, the purported basis for the asserted reduction in the aggregate amount of Port City Castings Corp's claim.<sup>2</sup>

WHEREFORE, Port City Castings Corp requests that this Court deny the Debtors the relief they have sought, allow Port City Castings Corp's claim as filed, and grant Port City Castings Corp such additional relief as the Court determines is just and proper.

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<sup>2</sup> Port City Casting Corp's claim has been transferred to SPCP Group, LLC. This response is made in consultation with and approval of SPCP Group.

Dated: June 18, 2007

PARMENTER O'TOOLE

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Legal representative with ultimate authority  
to reconcile, settle, or resolve claim.